

COMMISSIONER KENNEDY PROPOSED AMENDMENT NO. 1

DATE PREPARED: April 8, 2022

COMPANY: Arizona Public Service Company – RES Implementation Plan

DOCKET NO. E-01345A-21-0240

OPEN MEETING DATE: April 12, 2022

Purpose: An estimated 77% of households are ineligible for rooftop solar due to low credit scores, shading, roof condition or configuration, or because they live in an apartment or rent their home.¹ This excludes many low-and-middle income ratepayers from participation in the clean energy economy.

Community solar allows all retail customers the opportunity to subscribe to a portion of a shared off-site solar array and receive direct benefits on monthly bills in a similar manner as an on-site rooftop system. The larger “community scale” of projects interconnected to the local distribution grid also allows for economies of scale not possible on rooftops while capturing many of the benefits of locally produced power such as reduced line loss and utilization of existing infrastructure without transmission construction.

This amendment sets the starting point for the creation of a nation-leading community solar program for APS customers and initiates a collaborative working group to assess the attributes of the program listed below, and to assist Staff in its preparation of a recommendation.

Page 10, Line 9,

ADD:

“IT IS FURTHER ORDERED that Staff and Arizona Public Service Company shall organize a community solar working group to capture best practices from around the country, establish the mechanics, implementation, and operational details of an APS community solar program, and assist Staff as it prepares a recommendation for Commission consideration. The following organizations shall be invited to join APS in the working group:

- RUCO
- AriSEIA
- Vote Solar
- Coalition for Community Solar Access

¹ GTM Research/Wood Mackenzie, U.S. Community Solar Outlook

**** Make all conforming changes**

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed	_____ Not Offered	_____ Withdrawn

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- Solar United Neighbors
 - Wildfire
 - Institute for Local Self-Reliance

The working group shall meet at least monthly, beginning in May, 2022 with the goal of enabling a Staff recommendation for Commission decision no later than the December 2022 Open Meeting.

IT IS FURTHER ORDERED that the working group and Staff shall incorporate the following attributes as a starting point in its design of the APS community solar program:

- Program design shall aim to achieve a total program size comparable to the Minnesota (Xcel Energy) community solar program over a period no longer than 8 years. To attract long-term private sector investment, the program shall not incorporate any pre-set expiration date.
- Participation from all or most customer classes, with a certain portion of program or project capacity reserved for small customers.
- A priority for low-income customer participation.
- Direct bill offset for subscribers, producing savings in a structure substantially similar to that offered to rooftop solar customers, eliminating the need for incentives. The value proposition for subscribers shall be similar to those participating in onsite generation.
- Third party development, financing, construction, ownership, and operation of all community projects.
- APS shall be responsible for retail subscriber acquisition, subscriber maintenance, consolidated subscriber billing, and ongoing customer-service support. After construction the working group shall determine a reasonable timeframe for APS to achieve project subscription, after which any remaining power shall be purchased by APS at a rate determined by the working group. The working group shall consider a similar process for maintaining subscriptions during operation. Third party project operators shall also be allowed to pursue subscribers independently.

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- APS and third party operators must comply with all applicable state and federal consumer protection laws. A succinct standard disclosure form shall accompany all customer-facing contracts.
 - Inclusion of third-party energy storage at an installed capacity no less than 25% of the program's anticipated solar and wind capacity, as measured in MW. APS shall allow storage developments both coupled and standalone from solar and wind installations. Total storage installed shall not count against any total program size.
 - Inclusion of third-party community wind projects, under the same guidelines and structure as solar.
 - A publicly available APS "hosting capacity map" GIS webpage containing an easy-to-understand ranking system for each applicable distribution line or circuit, directing third party developers to interconnection locations that maximize value for APS and the entire electric system, addressing cost shifts. The hosting capacity map shall enable streamlined project interconnection review, with shorter queues and minimal fees, especially for projects interconnected to higher value distribution lines. Design of the hosting capacity map shall allow for possible future application in the deployment of other Distributed Energy Resources by individuals, third parties, or aggregators within the proposed Distributed Demand Side Resource Aggregation tariff or otherwise.
 - Projects interconnected to higher-ranking distribution lines or circuits, meaning projects offering maximum grid value, shall enjoy priority in receiving subscribers.
 - Other than priority based on distribution line ranking, project enrollment into the program shall be based on a first-come, first-served basis, after projects meet certain reasonable threshold requirements determined by the working group.
 - Maximum individual project sizes capped at no less than 10 MW-ac and no greater than 20 MW-ac. There shall be no individual project minimum size.
 - The term of the tariff providing for bill credits shall last for the life of each community project.
 - Renewable Energy Credits shall be transferred to project subscribers to allow for green energy claims and shall not apply to APS for purposes of compliance with A.A.C. Title 14, Chapter 2, Article 18.
 - The program shall allow industry accepted installation methods including ground-mount, rooftop, and car port or "canopy" projects.

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- Each project must have a minimum of two subscribers.
 - Simplicity in program design shall be a priority.
 - Customers with onsite generation shall be allowed to participate.
 - Subscribers may retain their subscriptions if they move within APS service territory.
 - Provide notification to municipal authorities within APS territory introducing the program and providing guidance which includes a model solar project evaluation rubric.
 - Elimination of the APS “Green Choice Program” and direct invitation for participants to subscribe to the new community solar program.

The working group may recommend any additional attributes and may recommend adjustment or elimination of any aforementioned attribute by docketing explanation for the recommended change. Each working group member is invited to individually docket recommendations in the event consensus is not reached.

IT IS FURTHER ORDERED that the working group shall, among other things, assist Staff in estimating the costs and benefits of the program, how to integrate storage most effectively into the program, the level to which certain percentages of project or program capacity should be reserved for particular customer classes, how low-income participation will be prioritized, how subscription rates will be determined, how bill credits will be applied, how to utilize the hosting capacity map to maximize systemwide benefits, how projects may provide additional ancillary services to the grid, establish the parameters of any APS tariff implementing the program, and file updates to the docket every-other-month beginning May 2022. Staff may schedule a workshop(s) in place of any required update.”

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